

Message Text

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C O N F I D E N T I A L TOKYO 6294

LIMDIS

OES FOR KRATZER

E.O. 11652: GDS

TAGS: TECH, ENRG, JA, AS

SUBJECT: AUSTRALIAN/KOREAN/JAPANESE NUCLEAR FUEL CYCLE TIE-UP

DISCLAIMED BY GOJ FOREIGN OFFICE

REFS: (A) STATE 97500; (B) TOKYO 5376

1. BEGIN UNCLASSIFIED. MAINICHI SHIMBUN, ONE OF THREE MAJOR DAILIES IN JAPAN WITH A NATIONWIDE CIRCULATION, REPORTED ON APRIL 28, WITH PROMINENT FRONT PAGE COVERAGE, THAT A JAPAN-AUSTRALIA PARLIAMENTARIANS LEAGUE SOURCE DISCLOSED ON APRIL 27 MOVES ARE UNDERWAY TO CREATE A QUOTE NUCLEAR FUEL CYCLE BASE UNQUOTE IN AUSTRALIA, THROUGH COOPERATION OF JAPAN, THE ROK AND OTHER SOUTHEAST ASIAN COUNTRIES CARRYING OUT OR PLANNING NUCLEAR POWER GENERATION.

2. FOLLOWING IS GIST OF REMAINDER OF TRANSLATED ARTICLE:

THE CONCEPT IS TO CONCENTRATE ALL ELEMENTS IN THE NUCLEAR FULE CYCLE, EXCEPT REACTOR OPERATIONS, IN AUSTRALIA,
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REMEDYING THE PRESENT SITUATION WHERE COUNTRIES IN THE

PACIFIC AREA HAVE TO RELY ON FOREIGN COUNTRIES FOR NATURAL URANIUM SUPPLIES, URANIUM CONCENTRATION AND REPROCESSING OF NUCLEAR FUEL SHOULD THEY CARRY OUT NUCLEAR POWER GENERATION.

3. JAPANESE UTILITIES NOW FACED WITH THE SERIOUS PROBLEM OF NUCLEAR FUEL REPROCESSING ARE REPORTED TO BE MUCH INTERESTED IN THE CONCEPT. A DELEGATION OF 15 TO 16 PERSONS, INCLUDING KAZUO TAMAOKI, A MEMBER OF THE HOUSE OF COUNCILLORS AND ALSO A MEMBER OF THE JAPAN-AUSTRALIA PARLIAMENTARIANS LEAGUE, IS SCHEDULED TO VISIT WEST AUSTRALIA IN JUNE THIS YEAR TO CONDUCT NEGOTIATIONS AIMING TO PUT THE CONCEPT INTO SHAPE. THE JAPANESE GOVERNMENT, ON THE OTHER HAND, WILL PROVIDE INDIRECT SUPPORT TO THE PLAN. IT WILL SOUND OUT AUSTRALIAN PRIME MINISTER FRASER, WHO IS VISITING JAPAN IN MID-JUNE, ON THE PLAN, ACCORDING TO NEWSPAPER STORY.

4. THE PLAN ORIGINATED IN THE TOP-LEVEL JAPANESE-AUSTRALIAN TALKS OF NOVEMBER, 1974 WHERE THE LEADERS OF THE TWO COUNTRIES REACHED AGREEMENT ON COOPERATION IN THE DEVELOPMENT OF URANIUM ENRICHMENT. LATER ON, MR. TAMAOKI VISITED AUSTRALIA AND HAD INFORMAL DISCUSSIONS WITH THE GOVERNOR OF WEST AUSTRALIA AND OTHER AUSTRALIAN LEADERS.

5. THEN, LAST APRIL, PREMIER FRASER ANNOUNCED A NEW FOREIGN CAPITAL POLICY CALLING FOR RELAXATION OF INTRODUCTION OF FOREIGN CAPITAL INTO AUSTRALIA FOR DEVELOPMENT OF URANIUM. CASHING IN ON THE IMPROVEMENT OF THE SITUATION, MR. TAMAOKI AND OTHERS ARE NOW ATTEMPTING TO REALIZE THE CHERISHED PLAN TO BUILD A NUCLEAR FUEL CYCLE BASE THERE IN COOPERATION WITH SOUTHEAST ASIAN COUNTRIES BESET WITH THE SAME NUCLEAR FUEL CYCLE PROBLEMS AS JAPAN. THE SAME SOURCE, WHILE OPTIMISTIC ABOUT THE PROSPECT OF THE PLAN, ADMITTED THAT CONSIDERABLE TIME WILL BE REQUIRED BEFORE THE PLAN CAN BE REALIZED. IN THE MEANTIME, THE SOURCE POINTED OUT THE NEED TO APPEAL TO THE CENTRAL GOVERNMENT TO SPEND MORE MONEY TO EXPEDITE DEVELOPMENT OF URANIUM

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ENRICHMENT HERE IN JAPAN AND TO ASK FOR BRITISH AND FRENCH COOPERATION IN PROVIDING JAPAN WITH KNOWHOW ON NUCLEAR FUEL REPROCESSING. AS FOR SOUTHEAST ASIAN COOPERATION, PRESENT PLAN CALLS FOR AUSTRALIA TO OFFER CONSTRUCTION SITES AND URANIUM RESOURCES, WITH JAPAN AND OTHER SOUTHEAST ASIAN COUNTRIES PROVIDING FUNDING AND TECHNOLOGY. END OF SUMMARY OF ARTICLE. END UNCLASSIFIED.

6. BEGIN CONFIDENTIAL. EMBOFFS INITIALLY IMPRESSED BY AUTHENTIC SOUND OF ARTICLE, WHICH INCLUDED FLOW CHART SHOWING ELEMENTS OF NUCLEAR FUEL CYCLE. HOWEVER, ON CHECKING FURTHER, NO OTHER TOKYO NEWSPAPER, EITHER ENGLISH LANGUAGE OR VERNACULAR, CARRIED SLIGHTEST REFERENCE TO STORY, INDICATING THAT IT WAS NOT RESULT OF GOJ PRESS RELEASE.

7. WHEN EMBOFF CALLED OTSUKA, MOFA, TO PRESENT CONGRATULATIONS ON PASSAGE OF NPT RATIFICATION BILL BY LOWER HOUSE OF DIET (SEE REFTEL), OTSUKA ON HIS OWN INITIATIVE RAISED SUBJECT OF MAINICHI ARTICLE, AND WITH CONSIDERABLE VEHEMENCE DISCLAIMED ESSENTIALLY ENTIRE STORY. HE SAID HE HAD CALLED PUBLISHER OF MAINICHI TO COMPLAIN ABOUT STORY AND TO DENY GOVERNMENT INVOLVEMENT. HE ATTRIBUTES STORY TO COUNCILLOR TAMAOKI OF DIET.

8. OTSUKA WENT ON TO SAY THAT HE WAS DEEPLY CONCERNED THAT SUBSTANCE OF ARTICLE WOULD SPREAD TO WASHINGTON AND CANBERRA, AND THAT HE FULLY EXPECTED GOA EMBASSY TO INQUIRE SOON ABOUT VALIDITY AND SOURCE OF INFORMATION. STORY, HE FEARED, WOULD ACT AGAINST GOJ/GOA NUCLEAR RELATIONS RATHER THAN ENHANCING THEM. HE CONTINUED THAT ONE ELEMENT OF TRUTH IN ARTICLE WAS THAT GOVERNMENT OF WEST AUSTRALIA HAD INVITED JAPANESE PARLIAMENTARIAN DELEGATION TO INSPECT LAND CONSIDERED TO BE RICH IN URANIUM RESOURCES, WITH IDEA THAT JAPANESE INVESTMENT IN URANIUM MINING INDUSTRY THERE WOULD BE ENCOURAGED. OTSUKA CLAIMED THAT HIS DISCUSSIONS WITH GOA REPRESENTATIVES IN RECENT WEEKS INDICATED THAT WHILE GOA WAS VERY MUCH INTERESTED IN ACQUIRING A URANIUM ENRICHMENT CAPABILITY, THERE WAS NO INTEREST IN--AND CONFIDENTIAL

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PERHAPS EVEN AN AVERSION TO--BECOMING INVOLVED IN REPROCESSING THERE. HE EXPRESSED BELIEF THAT JAPANESE NUCLEAR INDUSTRY NOT EVEN HIGHLY INTERESTED IN SEEING ENRICHMENT CAPABILITY BUILT UP IN AUSTRALIA, PREFERING INSTEAD TO RELY ON US ENRICHED URANIUM SUPPLY. HE ASKED EMBOFF TO RELAY HIS VIEWS ON NEWSPAPER STORY TO WASHINGTON.

9. RE VISIT OF US DEL TO AUSTRALIA AND JAPAN TO DISCUSS REGIONAL REPROCESSING (REFTEL A), OTSUKA OF COURSE KNOWS ONLY ABOUT VISIT TO JAPAN. HE ASKED THAT IF AT ALL POSSIBLE HE WOULD PREFER TO RECEIVE US DEL AFTER JUNE 15, SINCE DG UN BUREAU OKAWA HAS ASKED HIM TO BE PREPARED TO GO TO LONDON SUPPLIERS CONFERENCE AND THEN ON TO CANADA FOR HABITAT CONFERENCE; LATTER ENDS JUNE 11.

10. ACTION REQUESTED: ADVICE ON SCHEDULE OF US DEL VISIT
TO JAPAN.
HODGSON

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